

Michael D. Rounds
Nevada Bar No. 4734
Padma Choudry
Nevada Bar No. 9784
WATSON ROUNDS
5371 Kietzke Lane
Reno, NV 89511
Telephone: (775) 324-4100
Facsimile: (775) 333-8171
Email: mrounds@watsonrounds.com

Attorneys for Defendant Cyber Defense Systems, Inc.

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SIERRA NEVADA CORPORATION,)	Case Number: 3:07-cv-00532-ECR-VPC
)	
Plaintiff,)	
)	
vs.)	<u>ANSWER TO COMPLAINT</u>
)	
CYBER DEFENSE SYSTEMS, INC.,)	
)	
Defendant.)	

Defendant Cyber Defense Systems, Inc. ("Cyber"), by and through its undersigned counsel, hereby answers Plaintiff Sierra Nevada Corporation's ("SNC's") Complaint filed on November 6, 2007 as follows:

PARTIES

1. Defendant lacks sufficient information to form a belief as to the truth of Paragraph 1 of the Complaint, and therefore denies it.
2. Denied. Cyber is a Florida corporation, but its principal place of business is at 10460 Roosevelt Blvd. N., Suite 187, St. Petersburg, Florida 33716.
3. Admitted that jurisdiction is proper; denied that Plaintiff has any valid claim to \$75,000.00 or more.
4. Denied.
5. Admitted.

1 6. Admitted.

2 7. Admitted.

3 8. Denied.

4 9. Admitted.

5 10. Admitted that SNC and Cyber negotiated an agreement along with TechSphere,
6 wherein SNC claimed to reduce the disputed amount by \$280,000; denied as to the fact that
7 SNC had a claim to any disputed amount.

8 11. Denied.

9 12. Admitted that this is a term of the Promissory Note; denied that a default has
10 occurred.

11 13. Admitted that this is a term of the Promissory Note; denied that a default has
12 occurred.

13 14. Denied.

14 15. Denied.

15 16. Denied.

16 17. Denied.

17 18. Upon information and belief, Cyber never received any such letter or demand, and
18 this averment is therefore denied.

19 19. Denied.

20 20. Denied.

21 **FIRST CLAIM FOR RELIEF**

22 21. Cyber hereby incorporates its responses in each of the preceding paragraphs to the
23 averments contained in Plaintiff's Complaint.

24 22. Denied.

25 23. Denied.

26 24. Denied.

27 25. Denied.

28 ///

SECOND CLAIM FOR RELIEF

26. Cyber hereby incorporates its responses in each of the preceding paragraphs to the averments contained in Plaintiff's Complaint.

27. Admitted.

THIRD CLAIM FOR RELIEF

28. Cyber hereby incorporates its responses in each of the preceding paragraphs to the averments contained in Plaintiff's Complaint.

29. Denied.

30. Denied.

31. Denied.

AFFIRMATIVE DEFENSES

1. Plaintiff's Complaint fails to state a claim on which relief can be granted.

2. Plaintiff has failed to perform both its express and implied obligations under the alleged agreements.

3. Plaintiff's claims fail because there was an accord and satisfaction of the alleged agreements.

4. Plaintiff's claims are barred because performance by Cyber under the alleged agreements with Plaintiff is excused or waived.

5. Plaintiff's claims are barred by the doctrine of unclean hands.

6. Plaintiff's alleged debt should be offset by monies owed by the Plaintiff to TechSphere International.

7. There was no consideration for the Promissory Note.

8. Defendants expressly reserve the right to amend and/or add affirmative defenses as further information is adduced through discovery or otherwise.

PRAYER FOR RELIEF

WHEREFORE, Defendant respectfully requests this Court grant the following relief:

1. Dismissal of Plaintiff's Complaint with prejudice;

2. That SNC take nothing by way of its Complaint;

1 3. That Cyber be awarded its reasonable attorneys' fees and costs of suit; and

2 4. That Cyber be awarded such other further relief as this Court deems just and proper.

3 Dated: January 4, 2008

WATSON ROUNDS

4 By: /s/ Michael D. Rounds

5 Michael D. Rounds

6 Padma Choudry

5371 Kietzke Lane

7 Reno, NV 89511

Phone: (775) 324-4100

8 Fax: (775) 333-8171

Email: mrounds@watsonrounds.com

9 Attorneys for Cyber Defense Systems, Inc.

CERTIFICATE OF SERVICE

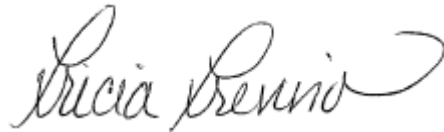
Pursuant to FRCP 5(b), I certify that I am an employee of Watson Rounds, and that on this date a true and correct copy of the foregoing document was delivered via the United States District Court's CM/ECF system to the following individual:

Matthew B. Hippler
Hale Lane Peek Dennison and Howard
5441 Kietzke Lane, 2nd Floor
Reno, NV 89511

I also certify that on this date a true and correct copy of the foregoing document was deposited for mailing in a sealed envelope, with first-class postage thereon prepaid, addressed as follows:

Attison L. Barnes, III
Wiley Rein LLP
1776 K Street, N.W.
Washington, DC 20006

Dated: January 4, 2008



Tricia Trevino